

## Ribaa (Interest)

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A classical example in these times of impatience and haste leading to Haraam is related to **Ribaa**. Some Muslims in the West are quick to point out that the whole economic system of western civilization is founded on an interest-based system, and as such necessitates dealing with interest.

They may also add that paying rent year after year with no real return, and residence in unsuitable housing, all make buying a house with a mortgage a must: even if it means taking a bank loan, and or paying monthly installments which include an interest rate. It may also be pointed out by them that dire necessity makes the forbidden allowable, is a well-known principle in Islaamic law, hence the sins one is forced to do are not held against him. This principle can be found in Ibn Abbaas' report that the Prophet said,

"Allaah has pardoned my people for their inadvertent mistakes, their forgetfulness and for what they were forced to do." 1

It can also be found in the Qur'aanic verse following the mention of the categories of forbidden meat, wherein Allaah has said,

***"But for whoever is forced by hunger (to eat of the forbidden) without desiring sin, verily Allaah is forgiving and merciful."*** (Qur'an 5:3)

However, the point is, what is meant by the word "forced" and how is dire necessity defined? Does it refer to circumstances under which one desires something badly and is driven by that desire to believe that he or she cannot live without it? Or is it only applicable to circumstances in which one is threatened with loss of life or limb? Does it mean when one's life is in danger? The case usually cited to illustrate what is meant by forced is that of Ibn Yaasir,

The Sahaabee who accepted Islaam as a slave and was tortured to the point of death to renounce his belief. He complied with his master's demand and falsely admitted that the Prophet was a magician and that the Makkan idols were his gods. After being released from torture, Ammaar Ibn Yaasir avoided the Prophet's company out of shame for what had said; especially since both his father, Yaasir, and his mother, Sumayyah, chose to be tortured to death rather than deny their belief in Allaah and His Prophet. When the Prophet learned of Ammaar's feelings of shame, he called for him and asked him about the state of his heart. Ammaar replied that it was full of Eemaan (belief), so the Prophet said, "If they repeat the torture repeat what you said."

Then Allaah revealed the following verse,

***"Whoever disbelieves in Allaah after believing, except he who is forced though his heart is at peace with Eemaan; Allaah is angry with whoever finds ease in disbelief and they will have a severe penalty."*** 2,3

This Hadeeth clearly illustrates the true meaning of being "forced" and "dire necessity" as understood by the Sharee'ah; circumstances in which one may incur the loss of life or limb. Only in situations in which one's life or limb is actually threatened can be considered the type of necessity which would make certain Haraam practices permissible.

Whenever western colonial powers wanted to introduce offensive practices in colonized Muslim lands, they would first gain control of a promising Muslim scholar and then coerce him into making Fatwaas (legal rulings) in their favor. Thus, Ribaa (which was unthinkable among Muslims less than a hundred years ago) found its way into the ranks of Muslims through the Fatwaas of the likes of Muhammad Abduh, who was installed by the British as Shaykh al-Azhaar (Chancellor of al-Azhaar University in Egypt) against the will of its staff. Under the influence of these Fatwaas, Abdullah Yusuf Ali stated in his commentary on the verses on Ribaa that the prohibition did not include "economic credit, the creature of modern banking and finance." However, serious unbiased consideration of the main Qur'aanic verses on Ribaa found at the end of Soorah al-Baqarah and the severe warnings of the last Prophet indicate an unconditional opposition to Ribaa in all of its forms.

In verse 275 of Soorah al-Baqarah, Allaah starts off a frontal attack on Ribaa describing those who take interest in the most repulsive terms:

***"Those who devour interest stand up like someone lurching from Satan's touch."*** 4

The verse compares one who consumes Ribaa to a staggering madman. Then the verse mentions the standard justification used by those who take interest:

***"They say: trade is just like taking interest."***

This justification is still the basis of one of the arguments used for taking interest used today; one must pay for the usage someone else's capital. If he had held that capital, he could have invested it and made a profit, so the borrower has to compensate the lender for the loss of his potential profits especially since the borrower will use the lender's capital to make profits. However, Allaah rejects their crafty arguments and twisted logic saying,

***"But Allaah has made trade permissible (Halaal) and interest forbidden (Haraam)."***

There is no guarantee that had the owner of the capital invested it he would have made profits, yet the lender wants to collect a guaranteed fixed profit whether the borrower succeeds in business or not. Logic would demand that the lender should not only share in the borrowers' profits but also share in his losses if his investments fail. This logical principle constitutes one of the basic principles of the Islaamic Banking system. Allaah then closes the verse with the solution to the problem of past interest-based transactions, saying, "Whoever stops when the admonition reaches him is allowed to keep what is from the past and his case is with Allaah, but whoever returns (to interest), is a true companion of the hell-fire wherein he will stay eternally." Such is the terrible punishment for all those who know the truth yet reject it, because that is the essence of Kufr, covering up the truth about God. Allaah points in verse 276 of the (Soorah to a reality which is incomprehensible to most people:

***"Allaah has deprived Ribaa of its value while causing charity to grow."***

Though Ribaa may seem to increase the quantity of one's wealth, it in fact decreases its blessing. On the other hand charity which seems to decrease one's wealth increases its blessing. Allaah expresses His displeasure with those who persist in dealing with Ribaa saying,

***"and Allaah dislikes the disbelieving sinner."***

In the following verse, number 277, Allaah promises those who give up interest-based transactions both material and spiritual rewards.

***"Verily, those who believe and do righteous deeds, establishing Salaah and paying Zakaah, will have a reward with their Lord and they will not be overcome by fear or grief."***

Those who believe are those who obey Allaah's command to leave Ribaa and perform well the other pillars of Islaam. They will be protected by Allaah in this life from the burdens of fear and even more importantly grief, and will be greatly rewarded in the next life.

Verse 278 is comprised of a direct exhortation to the believers to comply with the prohibition on interest and a challenge to them to prove the reality of their Eemaan (belief in God),

***"O Believers, fear Allaah and leave what interest remains if, indeed, you truly believe."***

Allaah identifies the crux of the matter as Taqwaa (God-consciousness) and calls the believers to observe it internally as well as externally, because it is only the real fear of god's displeasure which will drive man to give up the apparently sweet profits which appear in transactions involving interest. This fear is like an internal alarm which goes off whenever a believer nears the Haraam acts, thereby helping him to tread the right path. It is not the same as the fear of harm or danger which grips an individual from time to time leaving him drained and weak. This fear, when fully developed is a much more intense and instinctual fear which leaves its fortunate possessor in a unique state of happiness referred to by the Prophet as the "Sweetness of Eemaan."

The last verse in the sequence, 279, contains a severe final warning unparalleled throughout the rest of the Qur'aan in its harshness for such a seemingly minor sin:

***"And if you do not, (give up the remaining interest), then be warned of a war on you by Allaah and His Messenger."***

Such a war cannot but end in a total, devastating defeat for the enemies of Allaah. Thus, anyone who refuses to give up transactions containing interest is classified as an open enemy of Allaah and His Apostle, and is eligible for destruction at any time in this life as well as an abode in the Hell Fire in the next. But Allaah in His great mercy and sympathy, even at this point offers an alternative as well as some material incentive saying,

***"But if you repent, you may have back your principle investment. Do not do wrong and you will not be wronged."***

After reading or listening to the above mentioned verses, some whose love of the pleasures of this world drives them to seek loopholes and loopholes say,

"But these verses deal mainly with taking interest and I am paying it in order to be able to get a house or a car etc, I have no other alternative, as no one in the Muslim community is willing to lend me that kind of money."

Their mischievous and rebellious nature leads them to purposely overlook the general implications of the verses, however, the Prophet of Allaah whose job it was to clarify the Qur'aan, spelled out the prohibition in words which leave no room for misinterpretation. Both Jaabir ibn Abdullaah and ibn Masoud reported that Allaah's messenger cursed the devourer of Ribaa, the one who pays it, the one who wrote up (the contract), and its two witnesses, and said,

"They are all the same." 5

The fact that the Prophet considered all those participating in business transactions involving interest as accomplices in a sinful act of disobedience to God, clearly indicates that a Muslim must conspicuously avoid interest at all costs unless he fears the loss of his life or limb, which is highly unlikely in the case of interest. As for those whose hearts are completely sealed to the truth, they insist on making further excuses saying, "We are only paying a very small amount of interest. It is only 1% or 5%. However, even this door has been slammed shut in their insolent faces by the Prophet. The Prophet said,

***"Ribaa has seventy-three forms, the simplest of which is like a man performing sex with his own mother." 6***

This simile demonstrates in graphic terms Islaam's position towards even the most insignificant form of interest; it is more sinful than incest.

It is not a question of quantity or whether such transactions actually contain harm, it is a question of principle. Islaam commands Muslims to totally shun interest because of the potential evil which is inherent in it. Like intoxicants, small quantities are as forbidden as large quantities, because in most cases one leads to the other. Islaamic laws are made for mankind as a whole and no special considerations are made for the rare exceptions. That is, although a few people may drink a little throughout their lives and never get drunk, most people who drink get drunk and if exceptions are made for the few, most people would claim that they, like the few, would not get drunk; hence the prohibition is made for all. In closing this financial channel, Islaam forces Muslims to unite and co-operate as one brotherhood. Islaamic banks or financial institutions have to be formed wherein Muslims may deposit their funds and borrow without being drawn into the sin of interest. Such institutions may embark on profit sharing ventures thereby generating capital which would be returned to the investors as dividends. In fact over the fiscal year (1980-1981) when Pakistan began to change over to interest-free banking the dividends returned to investors in such banks were greater than the existing bank interest rates. This becomes especially important in Muslim minority communities, where its members are often times unable to afford the costs of undertaking business ventures on their own, or of purchasing homes outright etc. if such communities would pool their resources and re-invest them within the community in the form of profit sharing loans, a high level of economic unity and growth independent from the outer society could be attained, Muslim businesses would in turn generate jobs for Muslims as well as surplus capital which would then be re-circulated in the Muslim community as Zakaah, charity, loans or investments. Such economic growth and development is absolutely necessary to finance some of the basic institutions essential to the development of a viable Islaamic community. For example, Islaamic schools have to be funded by the community's commercial establishments as tuitions are not only insufficient to maintain a private school, but they often deny the children of the poor segments of the community the right to an Islaamically oriented education. Most Islaamic schools which have depended on donations from overseas have folded after a few years of operation, as overseas Islaamic institutions are often unwilling to keep shelling out large sums of money year after year for the same project.

One has to make a realistic assessment of the situation before dashing to the bank. One should reflect on the Prophet's advice,

**"Look at those less fortunate than you, and not those above you; it is better for you, in order that you do not deny what Allaah has blessed you with." 6**

No matter how bad one's situation may seem, there are always others in worse situations. Thus, paying rent year after year without ever being able to buy a house outright is still better than the situation of those who cannot even afford to rent an apartment. In fact, one should be certain that money paid in rent to avoid paying interest is blessed by God and will be in his favour on the Day of Judgement. The difficult situations of life are only tests and one of the main criteria for passing it is patience (Sabr), the backbone of steady faith (Eemaan).

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1. *Collected by Ibn Maajah and al-Bayhaqee and authenticated by al-Albanee in Saheeh Sunan Ibn Maajah, vol.1 p. 347, no 1662*
  2. *Soorah an Nahl 16-106*
  3. *Collected by al-Bayhaqee and quoted in Ibn Katheer's Tafseer al Qur'aan al Adheem*
  4. *According to Ibn Abbas and the other scholars of tafseer this part of the verse means that those who take interest will rise up from their graves on the Day of Judgement like the insane as a means of disgrace. See Muhammd abn Ahmad al-Qurtubee's commentary on this verse in his Tafseer, al- Jaami li Ahkaam al Qur'aan.*
  5. *Collected by al-Bukharee, Muslim (Sahih Muslim (English Trans., vol 3, p 839, no. 3881) and Abu Dawood.*
  6. *Reported by Ibn Masoud and collected by Ibn Maajah and Al-Haakim. This Hadeeth is Saheeh (authentic). See al-Albanee's Saheeh Sunan Ibn Maajah.*
  7. *(Reported by Abu Hurayrah and collected by al-Bukhaaree (Sahih al- Bukhari (Arabic-English) vol 8 p 328 no. 497) and Muslim (Sahih Muslim (English Trans) vol 4 p 1530 no 7070)*